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CENTRAL INTELLIGENCE AGENCY

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INFORMATION REPORT

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COUNTRY East Germany

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SECRET **The Fulfillment of the Finance Plan of the
Ministry of Mining and Smelting for the First
Quarter of 1953**

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2. The following shows the losses status of the plants under the Main Administrations of Iron Industry and Nonferrous Metal Industry. The figures are in thousands of rouble marks.

	<u>1953 Planned Losses</u>	<u>First Quarter 1953 Actual Losses</u>	<u>Support Claims</u>	<u>Losses in Excess of the Plan</u>
Iron Industry	397,805	85,735.8	69,156.8	16,579.0
Nonferrous Metal Industry	155,447	35,050.1	35,917.7	867.6
	553,252	120,785.9	105,074.5	15,711.4

By means of a sliding scale, 6,281,000 of the 15,711,400 east marks, less in excess of the plan, will be covered, thus reducing the loss in excess of the plan to 9,430,400 east marks. How this latter sum was to be covered was not yet decided.

2. The following shows the profits status of plants under the Main Administrations of Iron Industry and Nonferrous Metal Industry. The figures are in thousands of east marks.

	1953 Planned Profits	First Quarter 1953 Actual Profits
Iron Industry	41,361.6	8,557.6
Nonferrous Metal Industry	23,907.9 65,269.5	7,735.1 16,292.7

3. The following shows the payments to the national budget to be made from the profits. The figures are in thousands of east marks.

<u>Planned for 1953</u>	<u>Planned for the 1953 First Quarter</u>	<u>Actual Payments from the First Quarter Profits</u>
22.259	5.565	6.248

4. The following shows the requirements for the wage fund in the first quarter of 1959. The figures are in thousands of east marks.

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	<u>Wages and Salary Fund</u>			<u>Absolute Reduced</u>	
	<u>Planned</u>	<u>Actual</u>	<u>in percent</u>	<u>Expenditure</u>	<u>in percent</u>
January	28,763	28,338	98.5	-425	-1.5
February	30,047	27,699	92.2	-2,348	-7.8
March	26,223	32,612	98.2	-604	-1.7
First quarter					
Total	95,033	91,656	96.4	-3,377	-3.6

5. The foregoing survey of the requirements of the wage fund was checked with the Deutsche Notenbank, which also had arrived at a reduced expenditure of 3,377,000 east marks. The relative reduced expenditure of the wage and salary sums, according to the Deutsche Notenbank, amounted to 2.1 percent, but, according to the estimates of the Ministry of Mining and Smelting, amounted to 3.6 percent. The difference between those two estimates was to be explained by the fact that the Deutsche Notenbank used the following figures as a basis for estimating the fulfillment of production. (The figures are in thousands of east marks):

	<u>First Quarter</u>	<u>1953 Production</u>		<u>Relative Increased or</u>
	<u>Planned</u>	<u>Actual</u>	<u>in percent</u>	<u>Reduced Expenditure</u>
January	63,246	58,700	92.9	-6.2
February	63,409	58,964	93.0	-0.9
March	75,530	81,227	107.5	-8.6
First quarter				
1953	202,185	198,891	98.5	-2.1

6. On the other hand, the estimates of the Ministry of Mining and Smelting, according to the official report on the calculation of the fulfillment of the production plan, show the following:

planned	309,297,000 east marks
actual	313,327,000 east marks, or 101.3 percent

7. The following is a survey of the expenditures for the plant guards "A" as opposed to the savings on administrative employees. The figures are in east marks.

	<u>Savings on Adminis-</u>		<u>Expenditures for</u>	
	<u>trative Employees</u>	<u>Percent</u>	<u>Plant Guards "A"</u>	<u>Percent</u>
<u>Up to and including</u>				
31 March 1953	424,470	5	2,369,975	25
30 June 1953	2,566,820	30	4,739,950	50
30 September 1953	5,133,640	60	7,109,925	75
31 December 1953	8,551,700	100	9,479,900	100

8. The following shows the development in the individual quarters.

	<u>Savings on Adminis-</u>		<u>Expenditures for</u>	
	<u>trative Employees</u>	<u>Percent</u>	<u>Plant Guards "A"</u>	<u>Percent</u>
<u>Up to and including</u>				
1 January -				
31 March 1953	424,470	5	2,369,975	25 -1,945,505
1 April -				
30 June 1953	2,142,350	25	2,369,975	25 -247,625
1 July -				
30 September 1953	2,566,820	30	2,369,975	25 1176,845
1 October -				
31 December 1953	2,418,060	40	2,369,975	25 11,023,785
	8,551,700	100	9,479,900	100 -990,900

9. The Main Administration of Iron Industry had submitted 36 plans, which were to effect a total savings of 29,755,000 east marks and the Main Administration of Nonferrous Metal Industry had submitted seven plans which were to save 5,378,000 east marks in accordance with the economy program.

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